

The complaint

Mr S complains that Wise Payments Ltd didn't do enough to prevent the loss he suffered when he fell victim to a scam.

Mr S has used a representative to bring his complaint. But for ease of reading, I'll mostly refer to Mr S himself where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2023, Mr S says he was the victim of a scam. He received a text message that he thought was a 'wrong number' from a Miss A. Mr S engaged in conversation with Miss A and, over time, he believed that a romantic relationship developed. Miss A explained that she was an investor in cryptocurrency and she offered to help Mr S do the same.

Ultimately Mr S was persuaded to make a series of payments from his Wise account. I understand these were all to purchase cryptocurrency which was then lost to the scam. The chat between Mr S and Miss A indicates that he bought cryptocurrency through legitimate exchanges before transferring it onto the 'trading platforms' that Miss A recommended. Mr S' letter of complaint records that the below payments were made as a result of the scam.

Date	Type of payment	Merchant	Amount
9 August 2023	Card Payment	S	£50
21 August 2023	Card Payment	M	£5,000
27 August 2023	Card Payment	S	£5,000
27 August 2023	Card Payment	S	£1,000
27 August 2023	Card Payment	S	£1,000
28 August 2023	Card Payment	S	£571.06
28 August 2023	Card Payment	S	£240
28 August 2023	Card Payment	S	£1,634.28
29 August 2023	Card Payment	S	£500
29 August 2023	Card Payment	S	£343.56
1 September 2023	Card Payment	S	£1,300
4 September 2023	Card Payment	M	£200
4 October 2023	Card Payment	M	£65
4 October 2023	Card Payment	M	£30
5 October 2023	Card Payment	S	£1,700
5 October 2023	Card Payment	S	£30
15 October 2023	Card Payment	B	£85
15 October 2023	Card Payment	B	£15
24 October 2023	Card Payment	S	£120
24 October 2023	Card Payment	S	£150.13
24 October 2023	Card Payment	S	£172.52

Mr S says that in exchange for all the above payments he received cryptocurrency which was then lost to the scammer. Mr S complained to Wise. He didn't think they'd done enough to protect him against losing money to a scam and is seeking reimbursement of his losses. Wise said the payments were authenticated through 3DS. They also said that some payments had been stopped and a scam warning was shown. Overall, they didn't offer any redress and the matter was referred to our service.

Ultimately, one of our Investigators didn't recommend that the complaint should be upheld. In summary she didn't think Wise had failed in such a way as to have caused the loss. Mr S disagrees and has asked for an Ombudsman to review his complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Wise should do all they reasonably can to try to protect their customers against financial harm from fraud and scams. But there of course needs to be a balance between stopping and checking payment instructions and facilitating their customers having unrestricted access to their accounts.

When Mr S instructed his payment for £5,000 on 21 August 2023 to M it was identifiably going to a cryptocurrency exchange. I acknowledge Wise's point that there are many genuine payments to purchase cryptocurrency, something which is increasingly popular. But it is also a common feature in a great number of scams. Further to this a payment of that value is larger than those that were commonly or had recently been made from the account. It also represented a change in the way the account was being operated. So taking these factors together, I think Wise should have identified that Mr S may be at risk of financial harm and should have done more than they did before processing that payment.

However, even if Wise had done so, I'm not persuaded it would've made a difference. That is, I don't think it would have resulted in Mr S discovering the scam or being prevented from making further payments. I'm not persuaded that the interventions like those Wise have described (in relation to a cancelled payment for around £570 on 28 August 2023 and other payments of lower values in November 2023), would've been sufficient. In those instances, Mr S was given a fairly generic scam warning. However, another Electronic Money Institute (EMI), R, with whom Mr S held an account and from where he also lost money to the same scam asked questions and provided detailed warnings about potential cryptocurrency scams. Mr S told R that he was doing all his own research and was able to make withdrawals from his crypto wallets.

I've also taken account of the fact that Mr S has submitted over 600 full pages of the message history between him and Miss A. Many of these include them planning their future life together. There are also a lot of discussions about Mr S borrowing money from friends and family to continue his 'investments'. There is also talk of using different banks who don't create friction for the payments he was attempting. One example of this was on 21 August 2023 when Mr S said:

"[R] is not happy with the details it looks... It keeps stopping the payment... Will try Wise and see what happens... That's okay darling, only annoyed about the banks..."

And given Mr S has said that he and Miss A regularly video messaged each other and that he fully believed they were in a loving relationship at the time, I don't think any reasonable

level of intervention that could've been expected of Wise (in relation to either this initial or any further payments) would've uncovered the scam at the time. I think the personal nature of the relationship and Mr S' heartfelt belief that it was genuine at the time would've prevented him being receptive to warnings. As such, I can't say that Mr S' losses were caused by Wise not intervening as I think they should've.

I've also thought about what Wise did once informed that Mr S' payments had been made as the result of a scam. But in this case Mr S received cryptocurrency for his payments which was then passed to the scammer, so unfortunately there wouldn't have been any realistic prospect of recovery for any of his payments.

I'm of course sorry to hear Mr A has been the victim of a cruel scam. But despite my natural sympathy for him, my role requires that I remain impartial. And as I don't think Wise are responsible for any errors which caused his loss (or a part of it), there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 February 2025.

Richard Annandale
Ombudsman